ECCLESIA LAW

BILLS OF EXCHANGE AND PROMISSORY NOTES

A Deep Technical Analysis of Why "Homemade" Instruments Fail to Discharge Debt and Tax Liabilities — The Promoter Claims, the Mechanics, the Legal Reality, and the Prosecutions

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Primary sources engaged:

- *Liberty Rock's claim that a magic cheque can pay your tax* (taxpolicy.org.uk, 14 May 2026; updated 18 June 2026);
- *Bills of Exchange* (werebank.co.uk) and the Peter of England "Binary Weapon" instructional transcript;
- *Allegedly Dave — The Mortgage Project / Oric Liquescent Trust* (allegedlydave.com) and the accompanying podcast transcript;
- *DG Resources Ltd v HMRC* [2025] EWHC 2208 (Ch);
- *Meads v Meads*, 2012 ABCA 468;
- UCC Article 3; Bills of Exchange Act 1882; UN Convention on International Bills of Exchange and International Promissory Notes (1988).

1. EXECUTIVE SUMMARY

This paper provides an exhaustive, expert-level analysis of what a **bill of exchange** and a **promissory note** actually are in law, and a forensic deconstruction of why the "homemade" versions of these instruments — sold by promoters such as **Liberty Rock**, **Peter of England / WeRe Bank**, **Brandon Joe Williams**, and **Allegedly Dave ("Oric Liquescent Trust")** — cannot and do not discharge debt or tax liabilities.

The conclusion is unambiguous and is now uniformly held by every court that has considered the question, in the United Kingdom, the United States, Canada, and Australia:

1. **A bill of exchange is not legal tender.** No creditor — and emphatically not HMRC or the IRS — is required to accept one. A bill of exchange is merely an *order to a third party (the drawee)* to pay. If there is no drawee holding funds, the instrument is a nullity.

2. **A signature does not create money.** A signature transforms a piece of paper into an *enforceable obligation*; it does not conjure *value* out of thin air. The promoter conflation of "enforceable" with "funded" is the single most important technical error in the entire genre.
3. **A homemade bill of exchange drawn on a "birth trust," a "Cestui Que Vie account," a "Treasury exemption," or a private trust's pooled gold is drawn on an account/institution that cannot settle the obligation.** In statutory language these are *fictitious obligations*.
4. **"Using the banks' own ex nihilo credit-creation methodology against them" is a category error.** Ex nihilo credit creation is a regulated privilege of *licensed deposit-takers* that settle in *central-bank reserves* and whose IOUs are socially accepted as money — a power empirically proven by Professor Richard Werner (2014) to be unique to licensed banks. A private trust holds no banking licence, no central-bank reserve account, no clearing membership, and its IOUs are not accepted as money. It cannot "create credit out of nothing." Its promissory notes cannot clear.
5. **Receipt is not acceptance; silence is not consent; a postal "proof of delivery" proves only collection, not settlement; a notary's seal attests the signature, not the truth of the contents.** The entire "dishonour = discharge" mechanism rests on a misreading of the Bills of Exchange Act 1882 and of the law of contract.
6. **The schemes are not merely ineffective — they are criminal.** Conduct of this kind engages *cheating the public revenue* (life imprisonment maximum in England), *fraud by false representation* (Fraud Act 2006 s.2), *using a false instrument* (Forgery and Counterfeiting Act 1981), and, in the United States, *uttering fictitious obligations* (18 U.S.C. § 514) and *mail/wire fraud* (18 U.S.C. § 1341/1343).

Promoters of these methods (Roger Elvick, Winston Shrout, and others) have been imprisoned. Client companies that have deployed the method in England (DG Resources Ltd, Halifax RLFC Ltd, Direct Back Office Ltd) have lost in court and been wound up. Not one of the schemes analysed below has ever successfully discharged a single debt or tax liability in any reported case. This paper explains, in precise commercial-law terms, why every one of those outcomes was inevitable.

2. WHAT A BILL OF EXCHANGE ACTUALLY IS

2.1 The statutory definition

The starting point in English law is **section 3 of the Bills of Exchange Act 1882**, which provides:

"(1) A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.

(2) … the party who signs it is called the **drawer**; the party thereby required to pay is called the **drawee**; and the party to whom payment is to be made is called the **payee**."

Three features of this definition are decisive, and every one of them is misused by the promoter schemes:

- It is an **order to a third party (the drawee) to pay**, not a promise by the drawer to pay. The drawer does not pay; the drawer *directs someone else* to pay.
- It must be **unconditional**. Any condition (e.g. "subject to your acceptance," "drawn on my birth trust," "payable at the merchant's address") destroys the instrument's negotiability.
- The drawee must be a person who can **be required to pay** — ordinarily because the drawer has funds or credit with that drawee (a bank). Section 3 contemplates a drawee who is separate from the drawer.

The American **Uniform Commercial Code § 3-104** is to identical effect: a negotiable instrument is an "unconditional order… to pay a fixed amount of money… payable to bearer or to order… payable on demand or at a definite time." The international instrument is governed by the **UN Convention on International Bills of Exchange and International Promissory Notes (UNCITRAL, 1988)**, and historically by the *lex mercatoria* (law merchant) — both of which the promoters invoke and both of which they misunderstand.

2.2 The cheque is the paradigm bill of exchange

A **cheque** is simply a bill of exchange drawn on a banker, payable on demand (BoEA 1882 s.73). This is the example everyone understands, and it is the example that exposes the flaw in the homemade versions:

- When you write a cheque, you are the **drawer**, your bank is the **drawee**, and the recipient is the **payee**.
- The cheque *works* because you have a pre-existing **funded relationship** with the drawee bank. You have deposited money, or you have an agreed overdraft. The bank, on presentment, debits your account and credits the payee.

- If you write a cheque without funds and without an agreed facility, the cheque is **dishonoured** ("bounces"). It does not pay anything. It creates no value. It is, depending on intent, a criminal offence.

The homemade bills of exchange promoted by Liberty Rock, WeRe Bank, Allegedly Dave, and Brandon Joe Williams are, in commercial substance, **cheques drawn on accounts/institutions that cannot settle**. That is the entire problem.

2.3 Acceptance, negotiation, and the holder in due course

Three further concepts are routinely misappropriated by promoters:

- **Acceptance (BoEA 1882 ss.17–25).** Acceptance is the drawee's written undertaking, *on the bill itself*, to pay at maturity. Only the drawee can accept. Crucially, the drawee is **not obliged to accept**. A drawee who refuses simply incurs no liability on the bill; the drawer remains liable to the payee. Acceptance is not triggered by the creditor's receipt of the bill, by silence, or by Royal Mail dropping the envelope into a post-room.
- **Negotiation and indorsement (ss.31–38).** A bill is "negotiable" when it is transferred so that the transferee becomes the holder. Indorsement transfers title. "Without recourse" (s.60) limits the indorser's secondary liability. None of this creates money; it only transfers the *right to enforce the existing obligation*.
- **Holder in due course (s.29).** A holder in due course takes the bill free from prior defects and certain defences. Promoters misuse this concept to argue that a properly indorsed bill must be honoured. But HDC status protects a *good-faith purchaser for value* of a *valid* instrument; it does not transmute an unfunded piece of paper into money.

2.4 The decisive point: a bill of exchange is not legal tender

A bill of exchange is a **credit instrument**, not money. It is a promise/order to pay *at a future point through a clearing mechanism*. It is not **legal tender** (which in England means Bank of England notes and Royal Mint coins under the Currency and Bank Notes Act 1928 and the Coinage Act 1971). HMRC, the IRS, utility companies, and mortgagees are, as a matter of law, **entitled to refuse any non-cash instrument** and to specify the forms of payment they will accept. As the taxpolicy.org.uk analysis observes, "anyone who's tried to pay with a cheque recently" has discovered this. HMRC's published position is that it **will not accept even a valid bill of exchange as payment for tax**, let alone an invalid one.

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3. WHAT A PROMISSORY NOTE ACTUALLY IS

A **promissory note** is defined by **section 83 of the Bills of Exchange Act 1882**:

"A promissory note is an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money, to, or to the order of, a specified person or to bearer."

Two structural differences from a bill of exchange matter:

1. **A promissory note is a two-party instrument** (maker and payee). There is **no drawee**. The maker *promises to pay himself/herself* — there is no third-party bank being ordered to settle.
2. **A promissory note is, by definition, unfunded at the moment of creation.** It is a *future* promise. Its worth depends entirely on the **creditworthiness of the maker** and on the maker actually having, or being able to generate, the means to pay at maturity.

This is why a promissory note issued by a private individual, or by an unlicensed private trust, promising to pay "£X at maturity," is — to any creditor — worth exactly the **present value of that maker's ability and willingness to pay £X at maturity**. For the overwhelming majority of individuals and unregulated trusts, that present value is **zero or near-zero**. The creditor cannot bank it, cannot clear it through the Cheque and Credit Clearing Company, cannot present it to a drawee, and cannot convert it into central-bank settlement money.

The promoter trick — central to Peter of England's "Binary Weapon" and to Allegedly Dave's "Oric Liquescent Trust" — is to **back the bill/note with another note / a pool of gold** so that the instrument appears "supported." This creates a **closed loop of paper/assets with no clearing exit**: the bill's value is "supported" by the note; the note's value is "supported" by the trust's gold; and the trust's gold is **not held with any institution that can settle the mortgagee's account**. There is no exit into actual settlement money.

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4. THE IDEOLOGICAL FOUNDATION: WHY PROMOTERS BELIEVE IT WORKS

The homemade-instrument movement is not a single theory; it is a family of interlocking beliefs. Understanding them is essential because the schemes are internally *plausible* only if one accepts the ideology. The following are the load-bearing pillars.

4.1 The 1933 "bankruptcy" and House Joint Resolution 192

In the United States, **House Joint Resolution 192 (1933)** abrogated the gold clause and confirmed that all US coins and currencies are legal tender for all debts. Mainstream law treats this as the transition to fiat money. Promoters treat it as the moment the United States went "bankrupt," removed "lawful money" (gold/silver) from circulation, and substituted "debt instruments" (Federal Reserve Notes). On this view, citizens can no longer "pay" in substance and must "discharge" instead — and if the state can discharge with fiat paper, so can the citizen, using the citizen's own paper.

4.2 The strawman / ens legis / Cestui Que Vie trust

The citizen is said to be **split** into a living "man of the Union" and a corporate fiction (the **strawman**, **ens legis**, or **Cestui Que Vie trust**) denoted by the ALL-CAPS name (e.g. *BRANDON JOE WILLIAMS* or *SCOTT-HAVARD WILLIAMS*). Registration of birth is said to create a **trust account** — the "birth trust" — holding the capitalized value of the citizen's future labour, pledged in 1933 as collateral for the national debt. The entire purpose of the homemade instruments is to **draw on this secret account**.

4.3 The "vapor money" / signature-value doctrine

Because banks allegedly create credit "out of thin air" by monetizing the borrower's signature, the borrower's signature is said to be **itself the source of value**. WeRe Bank's materials put it with characteristic directness: the signature "single-handedly creates, guarantees, and carries the value of the instrument… it is the 'currency' within the instrument." Allegedly Dave agrees: "you create all the money… they're just tricking you." This is the **philosophical core** of the genre, and it is the point that is most comprehensively wrong in law (see §6.5 below).

4.4 The ex nihilo credit-creation "judo" theory (Allegedly Dave's innovation)

Allegedly Dave's "Mortgage Project" adds a distinctive wrinkle: the claim that a private trust can **replicate the banks' own power of ex nihilo credit creation** — i.e. the modern, Bank-of-England-recognised fact that licensed banks create deposit credit "out of nothing" when they lend (a fact empirically proven by Professor Richard Werner in 2014) — to issue promissory notes "backed" by a tiny gold reserve. As he explains (using the older, popular "fractional reserve" vocabulary): "using the bank's own methodology of fractional Reserve banking as long as I have a certain reserve of the asset I can write more in promissory notes… I'm going to set my Reserve amount to .1%." The claim is that because banks allegedly create credit ex nihilo, the trust can do it too, and the banks "can't argue with it." This is a fundamental category error: it misapprehends *why* banks — and only banks — can create money out of nothing (analysed at §6.11 below).

4.5 The *lex mercatoria* / law-merchant override

Promoters invoke the ancient **law merchant** (*lex mercatoria*) and the UN Convention to argue that bills of exchange are **superior to** ordinary municipal law — that a merchant cannot refuse a validly drawn bill without "dishonour," and that to refuse is "one of the most profane things anyone could do" (Peter of England). This elevates a historical body of customary trade law into a supposed **supra-statutory force** that compels creditors and courts. It does not. The Bills of Exchange Act 1882 *codified* and *superseded* the inconsistent parts of the law merchant (see s.95, which preserves the law merchant only "in so far as [it is] not inconsistent with" the Act).

4.6 The sovereign-citizen lineage

The taxpolicy.org.uk investigation traces the modern UK manifestations to a **far-right anti-government movement** that emerged in the United States in the early 1980s and crystallised into the **sovereign citizen** movement. Promoters such as **Roger Elvick** (the originator of the "Redemption"/"Accepted for Value" method) and **Winston Shrout** popularised the use of bills of exchange, sight drafts, and promissory notes to discharge debt in the 1990s and 2000s. Both were subsequently **convicted and imprisoned** (see §7). The US Treasury has stated of these methods: *"The theory behind their use is bogus and incomprehensible."*

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5. WHAT THE PROMOTERS OFFER — A TECHNICAL DECONSTRUCTION

5.1 Peter of England / WeRe Bank — the "Binary Weapon"

What is offered. A paid "Bills of Exchange Pack + Manual" (marketed at werebank.co.uk/bills-of-exchange) instructing the purchaser to combine a **bill of exchange drawn on WeRe Bank** with a **promissory note** promising to pay WeRe Bank at a 10-year maturity (the original WeRe note matured March 2025).

How it is said to work (per the transcript and website):

1. The user becomes simultaneously **drawer and drawee** of the bill (the promoter admits this is an engineered "turning of the tables"). The creditor (utility, council, HMRC, mortgagee) is the **payee**.
2. The bill is **backed** by the promissory note, so that the bill is "good on its face" and the payee is *obliged to accept it* under the Bills of Exchange Act 1882 and *lex mercatoria*.
3. The user adds a **"referee in case of need"** and a **"payer for honour"** (two named third parties) and stipulates that the bill is **"payable at the merchant's address"** — all taken from the Act — to splinter the conventional payment route.
4. If the creditor refuses to sign/accept, the refusal is a **dishonour** that, "to the extent of that obligation," **discharges the debt**.
5. If the creditor sues, the user has "proof that the bill of exchange was refused without any grounds" *plus* the promissory note as a backstop — a "doubling down."

The underlying value claim. The scheme rests on the existence of "global trust accounts," "sovereign accounts," and "black screen accounts" of "immense value," accessible via the birth certificate, the National Insurance / Social Security number, and — above all — **the signature**.

5.2 Liberty Rock — the "magic cheque" plus notarised affidavit

What is offered (per taxpolicy.org.uk). A fee equal to **25% of the tax bill (plus VAT), 30% payable up-front**. Liberty Rock then sends HMRC a piece of paper labelled a "bill of exchange," supposedly **drawn on the client's "birth trust."**

How it is said to work:

1. The "bill of exchange" is presented to HMRC in lieu of money.
2. HMRC's **receipt** of the document is treated as **acceptance**, and the tax is declared "settled."
3. A Liberty Rock director (Andrew Donald Jackman) then **swears an affidavit before a notary** stating, on oath, that "HMRC has accepted the bill of exchange in settlement of the account" and that the account is **"settled in fact."**
4. The notarised affidavit is then **waved at HMRC enforcement officers and at the winding-up court** as "evidence" that the tax has been paid.
5. The "acceptance" is said to be "verified by a Royal Mail proof of delivery."

5.3 Brandon Joe Williams — "Accepted for Value," UCC 3-603, and the "Contract Killer"

What is offered. A suite of educational products ("Contract Killer," "Amnesty Project") teaching a US UCC-based variant:

1. **Accepted for Value (A4V):** the user stamps the invoice "Accepted for Value and Returned for Value," adds "UCC 1-308," "HJR 192," red ink, seals, and excessive postage (the postage allegedly converting the envelope into an "international treaty vessel").
2. **Tender of payment under UCC § 3-603:** the user tenders a self-drafted, unfunded "bill of exchange" or "promissory note" for the full balance. When the creditor refuses, the refusal is declared a **statutory discharge**.
3. **Indorsement engineering:** "All previous blank indorsements are hereby rescinded pursuant to UCC 3-202," and all new instruments bear a special restrictive indorsement: *"WITHOUT RECOURSE. Pay to the Order of: BRANDON JOE WILLIAMS. By: /s/ Brandon Joe Williams/agent."*
4. **UCC-1/UCC-3 filings:** a "strawman lien" against the ALL-CAPS name, and fraudulent UCC-3 terminations against real creditors.
5. **Litigation:** if the creditor continues collection, sue for "breach of contract," "breach of fiduciary duty," and civil peonage/slavery.

5.4 Allegedly Dave — the "Oric Liquescent Trust" / "Mortgage Project"

What is offered (per allegedlydave.com and the podcast transcript). A private trust (the **"Oric Liquescent Trust,"** named after "oric liquescent" — "golden liquid," a reference to the promoter's urine-therapy advocacy) into which mortgage-holders enroll as **beneficiaries**, each **donating £500**. The trust uses the pooled funds to **buy gold** (e.g. £500,000 worth), then **writes promissory notes**

up to the value of the gold asset, leveraging a self-imposed **0.1% reserve ratio** ("using the bank's own methodology of fractional Reserve banking… against them").

How it is said to work:

1. Beneficiaries **pledge/donate £500** to the trust (framed as a "gift" to avoid tax; the promoter admits: "I have to use words like donations and gifts because… tax comes in").
2. The trust buys gold with the pooled funds, establishing a "trust fund" asset.
3. The trust then **issues promissory notes** to beneficiaries, "backed" by the gold, at a 0.1% reserve ratio (i.e. £500 of gold supposedly supports £500,000 of notes).
4. The notes are **notarised** and dispatched with a **£5 Bank of England note "wrapped around one corner"** (allegedly so the bank "can't say what they've received is not valuable"), together with a covering letter from solicitors representing the trust.
5. The beneficiary tenders the package to the mortgage lender to "pay off" the mortgage.
6. If the bank refuses, the beneficiary is told to **"fight for your money"** — the promoter attributes prior failures to users' "guilty mind" rather than to any defect in the instrument.
7. A **contingency plan** is advertised: if the scheme fails, the trust's gold asset will fund a **test-case lawsuit** through the High Court to "bring attention" to the issue.

Critical admissions. The promoter **concedes he has never discharged a single mortgage** with the method ("you haven't actually done this with a mortgage yet… is that correct? — It is"). He **does not himself hold a mortgage**. The scheme is, by his own account, wholly **theoretical and untested** as of the date of the materials.

5.5 InPower Movement (Cal Washington) — the "Notice of Liability" as a bill of exchange

What is offered (per inpowermovement.org/videos). A membership-based "process" centred on a **"Notice of Liability" (NoL)** — a multi-page document served on officials, utility executives, smart-meter installers, or (in the Movement's more expansive claims) anyone, in respect of "harms/agendas" (smart meters, 5G, geoengineering, etc.). The Movement is structured as an "unincorporated non-profit association operated as a tax-immune, integrated auxiliary business of **Revelation 18 Church, a 508(c)(1)(A) organization**."

How it is said to work:

1. **The NoL is a bill of exchange / "the bill is the money."** The Movement expressly frames the NoL as a commercial instrument under the **law merchant** — its video library includes dedicated segments "What is a Bill of Exchange and how is it money?" and "What is Law Merchant?" The premise is that a liability notice, properly formatted and notarised/witnessed, operates *as money* against the recipient.
2. **Conditional acceptance.** The NoL takes the form of a "conditional acceptance" (also a dedicated video topic): the recipient "accepts" the installation/policy *conditionally* on proof of safety, with the burden reversed onto the official.
3. **Silence = consent; non-response = default judgment.** If the recipient does not rebut the NoL within the stated window, the Movement treats the silence as **acquiescence** and the NoL as a "default judgment" creating a personal liability (often in the hundreds of thousands or millions of dollars per day) against the named individual.
4. **Notarised, witnessed, ecclesiastically framed.** The NoL is sworn before notaries / Justices of the Peace and is linked rhetorically to **Revelation 18** ("the Bible as a contract"), wrapping a commercial instrument in a religious/sovereign-citizen ontology.
5. **"Step-downs" as proof of efficacy.** The Movement markets "prominent step downs" (officials allegedly retreating from installations) as evidence that the NoL "works." What is invariably happening, on examination, is that officials withdraw for **operational, political, or health-and-safety reasons**, or simply ignore the document — none of which is a recognition of any commercial liability on the NoL.

Why it fails (cross-referenced to the fallacy analysis). The NoL mechanism is a composite of the very errors deconstructed in §6:

- it relies on the **law-merchant override fallacy (§6.9)** — the Bills of Exchange Act 1882 (and its US equivalents) **codified and displaced** the inconsistent parts of the law merchant; there is no supra-statutory merchant law that compels a utility or an official to treat a served notice as money;
- it relies on the **receipt/silence fallacy (§6.6)** — under *Felthouse v Bindley* and the general law of contract, **silence is not acceptance**; a public official's failure to respond to a pseudo-commercial demand does not create a multi-million-dollar personal liability;
- it commits the **signature-fallacy (§6.5)** — a notarised, witnessed NoL is **enforceable as to its form** (the declarant did indeed swear it) but **not as to its value** (it orders no funded drawee to pay any sum that can be cleared or settled);

- it commits the **"bill is the money" fallacy (§6.1/§6.3)** — a Notice of Liability is not a negotiable instrument at all; it is an **assertion of a claim**. Asserting a claim does not fund it. The recipient cannot bank it, clear it, or present it to a drawee, because it is **not drawn on any funded account** and contains no unconditional order to a drawee to pay a sum certain in money;
- it commits the **notarisation fallacy (§6.7)** — notarisation attests the signature, not the truth of the NoL's assertions or the existence of the alleged liability; and
- the **508(c)(1)(A) / Revelation 18 framing** does not confer any special commercial force on the document. A church-affiliated entity can issue a liability notice; it cannot, by doing so, compel a utility to pay or to cease operations, any more than any other litigant can.

The specific harm. Ecclesia Law has separately analysed the InPower Movement (see *Cal Washington InPower Movement*, 14 January 2026) and concluded that the NoL process is **non-operational**, exposes participants to **"extreme risk" of criminal prosecution for "paper terrorism" or issuing "worthless instruments"**, and that the Movement's claimed "wins" are in practice either non-commercial withdrawals or (worse) situations the court interprets as a **refusal to plea / dishonour**, which can trigger **summary conviction or harsher sentencing**. Sending a multi-million-dollar NoL to an official is, in substance, the same act as sending a homemade bill of exchange to HMRC: it is the issuance of a **fictitious obligation** that the recipient cannot honour and is not required to honour, and it carries the same criminal-exposure profile analysed at §7.

5.6 The wider stable

- **Mike Holt** — the remittance-slip-as-bill-of-exchange / A4V method (UK/Australia).
- **David Greenberg ("The Freedom Studio")** — coupon endorsement, treating OCR sorting numbers as MICR routing codes against the "Social Security Trust."
- **Roger Elvick** — the original "Redemption"/A4V architect (US).
- **Winston Shrout** — sight drafts and "bonded promissory notes" (US).

6. HOW THEY SAY IT WORKS — AND THE DEEP TECHNICAL ANALYSIS OF WHY IT DOES NOT

This section addresses each load-bearing mechanical claim in turn. Each is independently fatal; collectively they are catastrophic.

6.1 "The drawer can also be the drawee" — *the no-drawee fallacy*

The claim. The user is both drawer and drawee, so the user "controls the bill." (Peter of England.)

Why it fails. Section 3 of the Bills of Exchange Act 1882 presupposes that the **drawee is the party required to pay** — ordinarily because the drawer has funds or credit with that drawee. Where the drawer and drawee are the same person, **there is no third party being ordered to pay**; the instrument collapses into a **promissory note** (a mere promise by the maker). And a promise by an individual of "£X payable at maturity" is worth what the market says it is worth — which, for an unfunded private individual, is nothing. You cannot lift yourself off the ground by pulling on your own collar. The "value" must come from **outside the instrument**: a bank account, a clearing house, central-bank reserves. None exists here.

6.2 "Drawn on the birth trust / Treasury exemption" — *the fictitious-drawee fallacy*

The claim. The bill is drawn on the Cestui Que Vie / birth trust / Treasury exemption account created at the registration of birth. (Liberty Rock; Brandon Joe Williams.)

Why it fails. No such account exists. There is no Treasury, HMRC, Federal Reserve, or "global trust" account in the name of the citizen from which third-party debts can be settled. The courts have held this repeatedly; *Meads v Meads* (2012 ABCA 468) catalogues the "fictitious financial instruments" and "magic phrasing" of the movement as a recognized taxonomy of pseudo-law. Under **UCC § 3-104** and the Bills of Exchange Act, an order drawn on a non-existent drawee, or on a drawee over which the drawer has no authority, is a **nullity** — a piece of paper that orders the payment of money that does not exist from an account that does not exist. In US law this is the very definition of a **fictitious obligation** under **18 U.S.C. § 514**.

6.3 "Backed by a promissory note / by gold" — *the circular-paper fallacy*

The claim. The bill is "supported" by a promissory note (Peter of England) or by the trust's pooled gold (Allegedly Dave), giving it value.

Why it fails. This is the "Binary Weapon," and it is the easiest to refute arithmetically. Trace the value:

Bill of Exchange → drawn on → Promissory Note / Gold Pool → made by / held by → the Trust / Individual → "value" derived from → ??? (birth trust, signature, or simply the gold itself).

The critical question is never "is there *an* asset somewhere in the chain?" — it is always "**can this instrument be *settled* in central-bank money, through a recognised clearing path, into the creditor's account?**" For an instrument to settle a debt, it must ultimately connect to a **settlement asset** — central-bank reserves (in the UK, a Bank of England settlement account; in the US, a Federal Reserve master account). WeRe Bank is not a member of the Cheque and Credit Clearing Company; it holds no Bank of England settlement account; it is not an authorised deposit-taker. The Oric Liquescent Trust is not a bank at all; it holds gold (or purports to) but has **no clearing membership and no settlement account at the Bank of England**. Liberty Rock is not a bank. The instruments therefore **cannot clear**. Holding gold does not give a trust the ability to direct a mortgagee's bank to credit the mortgagee's account. The "weapon" fires a blank.

6.4 "The creditor must accept; refusal is dishonour and discharges the debt" — *the acceptance fallacy*

The claim. Under the Bills of Exchange Act 1882 and *lex mercatoria*, a creditor served with a bill "good on its face" is bound to accept it; refusal dishonours the bill and discharges the underlying obligation. (Peter of England; Allegedly Dave attributes failure to the user's "guilty mind.")

Why it fails at three levels.

(a) The creditor is the payee, not the drawee. Only the **drawee** "accepts" a bill (BoEA s.17). The payee cannot accept the payee's *own* bill. In the homemade scheme the user has made the user both drawer and drawee, so the payee (the utility / HMRC / the bank) is being asked to "accept" a bill drawn on the user — i.e. to extend credit to the user on the user's own terms. No statute compels that.

(b) Nobody is bound to accept a bill of exchange. A bill is a credit instrument, not legal tender. HMRC, a mortgagee, a utility, and a court are each entitled to specify the **forms of payment** they will accept. The Halifax RLFC litigation (below) held precisely that **HMRC is entitled to decide which forms of payment it accepts**. The Bills of Exchange Act 1882 *facilitates* the use of bills between willing parties; it does not *compel* unwilling parties to take them.

(c) Refusal of a bill does not discharge the underlying debt. Sections 53–62 of the Act govern presentment, dishonour, and notice. On dishonour by non-payment (s.61), the holder's remedy is to give notice of dishonour and to **sue the drawer and indorsers on the bill** — i.e. to come after the issuer. Dishonour does **not** extinguish the *underlying contractual debt* that gave rise to the bill; the creditor's original cause of action (the unpaid tax, the unpaid mortgage instalment) remains

intact. The promoter inversion — "if you refuse my paper, your debt vanishes" — is the precise opposite of the statute's actual operation.

6.5 "The signature is the value" — *the signature fallacy*

The claim. The signature is "the be all and end all," "the currency within the instrument," capable of conjuring value "to the full face amount." (WeRe Bank; endorsed by Allegedly Dave.)

Why it fails. This is the philosophical heart of the genre and its most fundamental error. The signature does **two** things, and only two:

1. It **authenticates** the instrument (satisfying the "signed by" requirement of BoEA s.3 / s.83 and UCC § 3-401).
2. It **binds the signer** to the obligation (it creates *enforceable liability on the instrument* against the signer).

It does **not** create **value**. Value is supplied by the **drawee's funded account** (in the case of a bill) or by the **maker's creditworthiness and assets and, crucially, the existence of a settlement path** (in the case of a note). A signature on a piece of paper that orders a non-existent drawee to pay non-existent money, or that promises payment from a trust with no clearing access, creates an *enforceable obligation to pay nothing from nowhere* — which is to say, an obligation that is worthless to the holder and dangerous to the signer. The signature is *necessary* to validity; it is **nowhere near sufficient** to value. Conflating "enforceable" with "funded" is the master error of the entire movement.

6.6 "Receipt = acceptance; silence = consent" — *the receipt fallacy*

The claim. HMRC's receipt of the document, "verified by Royal Mail proof of delivery," equals acceptance and settlement. (Liberty Rock.)

Why it fails.

- **Acceptance must be communicated.** In contract law, acceptance of an offer must be **communicated** to the offeror; mere silence is not acceptance (*Felthouse v Bindley* (1862) 11 CBNS 869). In bills-of-exchange law, acceptance must be **written on the bill** by the drawee (BoEA s.17). A Royal Mail "proof of delivery" shows only that an item was **collected** from a delivery office. It does not show delivery to HMRC, a signature by HMRC, acceptance

by HMRC, acceptance by HMRC's Chief Executive, or settlement of any sum. The suggestion that the Chief Executive of HMRC personally "accepts" multi-million-pound bills of exchange is, as taxpolicy.org.uk puts it, "risible."

- **Receipt of a document is not acceptance of its contents.** A creditor that receives an invalid tender is entitled simply to **reject** it and to continue to demand payment. Rejection of a worthless instrument is not a "dishonour"; it is the lawful exercise of the creditor's right to be paid in a recognised form.

6.7 "The notarised affidavit / notarised note proves settlement/value" — *the notarisation fallacy*

The claim. A director swears an affidavit before a notary that HMRC "accepted" the bill and the account is "settled in fact" (Liberty Rock); or the promissory notes are "notarised" to prove their value (Allegedly Dave).

Why it fails. A notary's function is to **attest the identity of the declarant and the fact of execution** — i.e. to certify that *the person named did indeed sign the document in front of the notary*. The notary does **not** verify the **truth of the contents**, still less the truth of factual assertions about HMRC's state of mind, about a postal delivery record, or about the "value" of a promissory note. A notarised false statement is still a false statement; the seal authenticates the *signature*, not the *facts*. The sovereign-citizen phrasing — "I, a man by the name of Andrew Donald Jackman," "verify on my full and unlimited commercial liability" — is a red flag that should have alerted any competent notary (and the notary here, a solicitor and chartered tax adviser, has been the subject of a misconduct complaint and the Faculty Office has now issued an alert). Likewise, a notarised Oric Liquescent Trust promissory note is notarised only as to the signature of the maker; the notarisation does **nothing** to create a clearing path or to compel the mortgagee to accept the note. Notarisation is cosmetic, not substantive.

6.8 "UCC 3-603 / tender-refusal = discharge" — *the tender fallacy*

The claim. A creditor that refuses a tendered private instrument has, under UCC § 3-603(b), thereby discharged the debt. (Brandon Joe Williams.)

Why it fails. UCC § 3-603 governs tender of payment of an **obligation to pay an instrument** — i.e. it concerns the discharge of *indorsers and accommodation parties* when a valid tender is refused. It does **not**:

- apply to the underlying *contractual* debt (the mortgage, the tax, the utility arrears);
- define an unfunded private piece of paper as "tender"; or
- discharge the primary obligor.

For § 3-603 to bite, the tender must be **valid** — made in legal tender or its commercial equivalent (a funded bank check or wire). A private, unfunded "bill of exchange" is not valid tender; the creditor's refusal of it triggers nothing. The federal courts have said this in so many words: in *Williams v. American Express* (C.D. Cal. 2024), in *Knapp v. Wings Credit Union* (D. Minn. 2024, aff'd 8th Cir. 2025), and in the Ohio appellate decision *Williams v. Dayton Water*, where "self-created international bills of exchange were not valid legal documents or tender."

6.9 "The law merchant / UN Convention overrides statute" — *the supra-law fallacy*

The claim. *Lex mercatoria* is "older than any of the by-laws," so a merchant cannot refuse a bill without "profanity." (Peter of England.)

Why it fails. The Bills of Exchange Act 1882 **codified** the law merchant and, by **section 95**, preserved it **only in so far as it is not inconsistent with the Act**. The Act is therefore the governing law; the law merchant fills gaps, it does not displace the statute. The UN Convention on International Bills of Exchange and International Promissory Notes (1988) applies to **international** transactions between parties who have agreed to be bound, in jurisdictions that have ratified it; it does not compel HMRC, a UK utility, or a US mortgagee to accept a domestic homemade bill. There is no body of "merchant law" that sits above Parliament or Congress and forces creditors to accept worthless paper.

6.10 "It cleared in three days / it is legal money because fiat is debt" — *the fiat-equivalence fallacy*

The claim. Because Federal Reserve Notes / Bank of England notes are themselves "promises to pay," a private promissory note is the same kind of money. (All promoters.)

Why it fails. Fiat currency is **legal tender** because the state, by statute, **designates it as such** and because it is **settled** through the central-bank and clearing system. A private note is neither designated nor settleable. The Liberty Rock letter quoted in *DG Resources Ltd v HMRC* — that "payments were made in the form of cheques sent to HMRC, clearing within three days of receipt" — was **false**, as the court found. Nothing cleared, because nothing could clear.

6.11 "We're using the banks' own ex nihilo credit-creation methodology against them" — *the ex nihilo fallacy*

The claim. Because licensed banks create credit *ex nihilo* ("out of nothing") when they lend, a private trust can do the same: hold a small gold reserve and issue many multiples of promissory notes against it, at a 0.1% ratio, and the banks "can't say this isn't money." (Allegedly Dave / Oric Liquescent Trust, expressing the underlying idea in the older "fractional reserve" vocabulary.)

Why it fails. This is the most technically illuminating error in the genre, because it reveals a complete misunderstanding of *why* banks — and only banks — can create credit ex nihilo. The promoters have correctly grasped *that* banks create money out of nothing (a fact the Bank of England confirmed in its 2014 paper *Money Creation in the Modern Economy* and that Professor Richard Werner proved empirically in his landmark 2014 study), but they have entirely misunderstood the *institutional basis* that makes that power possible. That institutional basis is precisely what a private trust lacks.

6.11.1 The empirical fact: banks do create credit ex nihilo

It is now settled — by the Bank of England (2014), by the Bundesbank (2017), and empirically by **Professor Richard Werner** in his 2014 study *"Can banks individually create money out of nothing? — The theories and the empirical evidence"* (International Review of Financial Analysis, Vol. 36) — that licensed banks **do** create deposit credit *ex nihilo* when they lend. Werner collaborated with a small German bank to observe a real lending transaction in forensic detail and established that:

- the bank did **not** lend out pre-existing deposits (refuting the "financial intermediation theory");
- the bank did **not** lend out reserves or require prior savings (refuting the "fractional reserve theory" as popularly told);
- instead, the bank **created new purchasing power by a double-entry bookkeeping entry**: it recorded the loan as an asset on its balance sheet and, simultaneously, created a new deposit liability in the borrower's name. The deposit "money" was brought into existence at the moment of lending, out of nothing.

This is the factual core the promoters have latched onto — and it is **true**. The fatal error is the unstated premise that *anyone* can do this. They cannot. The reason only banks can is the subject of the next subsection.

6.11.2 Why banks, and only banks, can create credit ex nihilo — the Werner analysis

Professor Werner's research, and the broader monetary-economics literature, identify the **specific institutional features** that confer on banks their unique money-creating power. These are features the Oric Liquescent Trust does **not** have and **cannot** obtain:

1. **Banks are the only institutions whose IOUs function as the economy's medium of exchange.** A bank deposit is not "money" because of any intrinsic quality of the paper or the digits; it is money because the wider economy **accepts** it as such. This acceptability is a network effect underpinned by (i) **deposit insurance** (FSCS protection up to £85,000 in the UK; FDIC in the US), (ii) the **lender-of-last-resort** function of the central bank, (iii) **prudential supervision**, and (iv) the legal designation of cash as the redeemable form. No private trust's promissory note enjoys any of these supports. A corporation's IOU is just an IOU; a bank's IOU is treated by everyone as money. **That asymmetry is the entire game.**
2. **Banks settle at the central bank.** When bank-created deposit money is transferred from one bank to another, the transfer achieves **settlement finality** through the movement of **central-bank reserves**. Central-bank reserves are the ultimate settlement asset — they are a liability of the central bank itself, and therefore carry zero counterparty risk between banks. A bank can create a deposit knowing that, when that deposit moves to another bank, it will settle in reserves that the counterparty bank **must accept**. A private trust has no reserve account, no access to central-bank settlement, and therefore no way to make its IOUs achieve settlement finality. Its promissory note, when presented to another bank, cannot be settled — it can only be **rejected**.
3. **Banks hold a regulated legal privilege.** The power to take deposits repayable on demand and to create deposit money is, in the UK, a regulated activity reserved to **authorised deposit-takers** under **FSMA 2000 s.19** (the "general prohibition"). Operating as a deposit-taker without PRA/FCA authorisation is a **criminal offence**. This is not an incidental rule; it is the legal expression of the fact that money-creation is a public function delegated to licensed institutions under supervision. The Oric Liquescent Trust is not authorised; WeRe Bank is not authorised. They cannot lawfully do what banks do.
4. **Banks participate in the clearing system.** Bank money clears through recognised payment systems — the Cheque and Credit Clearing Company, BACS, CHAPS, Faster Payments — that connect every licensed bank into a single settlement network. A private trust's promissory notes cannot be presented to, cleared by, or settled through any of these. They are, to the clearing system, non-cash items that are rejected at the first scan.

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In short: **the bank's IOU is money because the entire institutional architecture of the state, the central bank, the clearing system, deposit insurance, and the law treats it as money. The trust's IOU is not money because none of that architecture applies to it.** Werner's empirical finding that banks create credit ex nihilo does not generalise to non-banks; it is *precisely* a finding about licensed banks operating *within* that architecture.

6.11.3 Why other corporations cannot create ex nihilo credit

This is the decisive asymmetry the promoters miss. A non-bank corporation — a manufacturer, a retailer, a private trust — can sign a promissory note, but that note **cannot function as money** because:

- it is **not accepted** as a medium of exchange by the wider economy (no one pays their groceries with an Oric Liquescent Trust note);
- it **cannot settle** in central-bank reserves (the trust has no reserve account);
- it **cannot clear** through the payment system (the trust has no clearing membership);
- it is **not insured** (no FSCS protection), **not supervised** (no PRA oversight), and **not licensed** (no FSMA authorisation);
- it must therefore be **converted into bank money** before it can be used to pay a debt — i.e. someone must be willing to **buy or discount** it for bank deposits. For an unregulated trust's note, no such buyer exists at anything approaching face value.

When an ordinary corporation issues a promissory note (say, a corporate bond or commercial paper), it does **not** "create money." It issues a **liability that must be funded** — it must find investors willing to part with existing bank money in exchange for the note. The corporation's balance sheet expands, but the money supply does not; existing deposits merely change hands. Only a **licensed bank**, within the institutional architecture described above, can expand the money supply through lending, because only a bank's liabilities are accepted *as* money. This is the unique position banks occupy, and it is the position the promoter schemes pretend to replicate with a £500 donation and a gold bar.

6.11.4 The asymmetry the promoter ignores

When a bank "accepts a promissory note" (the promoter's refrain), it does so in a **specific, regulated sense**: the borrower signs a note *promising to repay the bank*, and the bank, relying on the borrower's creditworthiness and on its own capital and reserve position, **creates a deposit in the borrower's name**. The bank does **not** "accept" a stranger's promissory note as **payment of an**

existing debt owed to the bank. The mortgagee is not being asked to lend; it is being asked to **extinguish a debt** for a piece of paper it cannot bank. The bank cannot offset that paper against its own reserve account, cannot clear it, and cannot convert it into sterling. There is no "judo." The bank simply rejects the note, and the mortgage remains outstanding.

6.11.5 The £5-note-wrapped-around-the-corner device

Allegedly Dave's idea of wrapping a £5 Bank of England note around the corner of the trust's promissory note is pure theatre. The £5 is £5 of legal tender; it is worth exactly £5 regardless of what it is wrapped around. It does not "rub off" value onto the £200,000 note it is attached to. The combined document is worth £5 plus the present value of an unenforceable IOU from an unregulated, non-settling trust — i.e. approximately £5. It does not pay off a mortgage.

6.11.6 Banks as nominee withholding agents — the Form 945 / IRS Publication 1212 dimension

A further, and decisive, illustration of the unique institutional position that banks — and only banks — occupy is found in the **US backup-withholding and nominee-reporting regime**. This is not a side-note; it is an integral part of the *same* licensed, central-bank-anchored architecture described above. When a bank creates credit *ex nihilo* and books the resulting negotiable instrument (a mortgage note, a bond, a certificate of deposit) on its balance sheet, it typically does so in a **nominee / "street name"** capacity (e.g. **Cede & Co.** as nominee for the Depository Trust Company), holding legal title for the benefit of the beneficial owner. Under **IRS Publication 1212** (*Guide to Original Issue Discount (OID) Instruments*), a nominee or middleman that holds an OID debt instrument for a true owner is **statutorily required to report the OID and to remit backup withholding** to the US Treasury. The bank discharges that duty by filing **Form 1099-OID** (reporting the OID to the owner) and by remitting the aggregate backup withholding it collects via **Form 945** (*Annual Return of Withheld Federal Income Tax*), which is the "master record" for non-payroll federal income tax withholding. The Form 945 module is therefore a **tax-ledger expression of the bank's regulated, nominee status** — a status that exists *because* the bank is a licensed deposit-taker operating within the central-bank/clearing architecture.

Three points follow, all of which reinforce the §6.11 thesis:

1. **Only banks operate as systemic nominee withholding agents under Publication 1212.** A private trust, an unincorporated association, or an individual cannot constitute a "nominee middleman" holding OID instruments in "street name" through the DTC/Cede & Co. clearing chain, because it has no DTC participant membership, no Cede & Co. nominee relationship,

and no Form 945 withholding module of the kind the IRS recognises. The nominee function is a **bank-only function** because it is parasitic on the bank's licensed, central-bank-settled, clearing-system-connected position. A private trust cannot "be the nominee" any more than it can "be the bank."

2. **The 945 module does not create value; it records tax.** The fact that banks remit billions of dollars of backup withholding via Form 945 (verified 2025 payments for systemic nominees include HSBC Bank USA ≈ $72m; NatWest Markets Securities ≈ $56m; Lloyds Bank Corporate Markets ≈ $32m; Banco Santander ≈ $26m; Barclays Capital ≈ $19m; J.P. Morgan Broker-Dealer Holdings ≈ $14m) is evidence of the **tax consequence** of the bank's licensed credit-creating activity — not evidence of a pool of "abandoned credit" that a private trust can recoup by filing a corrective 1099-OID. The 945 ledger is the Treasury's record of withholding *by the bank*; it is not an account *belonging to* the note's original signer. The signer's relationship is to the underlying instrument; the 945 relationship is the bank's relationship to the Treasury.
3. **The nominee/945 architecture is part of what makes bank credit "money" and private-paper credit worthless.** The social acceptance of a bank deposit as money (§6.11.2) is underpinned by, *inter alia*, the bank's compliance with the tax-and-withholding regime — Publication 1212, Form 945, FATCA, the 1099 series. A private trust's promissory note generates no OID that any nominee is required to report, triggers no 945 withholding, clears through no DTC/Cede chain, and is backed by no Treasury-recognised withholding module. The entire tax-withholding superstructure that surrounds bank-created credit is absent for trust-created paper. That absence is not a loophole to be exploited; it is the legal expression of the fact that the trust's paper is **not bank money** and never becomes bank money by being labelled a "bill of exchange" or "promissory note."

In short: the banks-as-nominees / Form 945 / Publication 1212 regime is a **fourth pillar** of the same institutional architecture that makes ex nihilo credit creation a bank-only power (alongside the banking licence, the central-bank reserve account, and clearing membership). A private trust can mimic the *vocabulary* of OID, nominee reporting, and 945 modules, but it cannot occupy the *functional position* that gives those concepts legal effect. The promoters' mistake is to read the existence of the 945 ledger as proof that the underlying credit "belongs" to the signer and can be "recouped" — when in fact the 945 ledger is the Treasury's record of the *bank's* withholding obligation, arising precisely because the bank, and only the bank, is the regulated creator and nominee-holder of the instrument.

6.12 "If it fails it's because you had a guilty mind / didn't defend it properly" — *the blame-the-victim fallacy*

The claim. Prior failures of promissory-note schemes are due to the users' "guilty mind" or to procedural defects, not to the method itself. (Allegedly Dave; Peter of England.)

Why it fails. This is a classic **scapegoat mechanism** common to all pseudo-legal movements (catalogued in *Meads v Meads* under the rubric of "I was done wrong"). It serves to insulate the promoter from the empirical reality that **no one has ever succeeded** with these methods. The truth is the opposite: the methods fail because they are **legally worthless** — they cannot clear, they cannot settle, they are not legal tender, and no creditor is bound to accept them. A "confident mindset" cannot change the fact that a mortgagee's bank cannot credit the mortgagee's account from a piece of paper that has no clearing path. The "fight for your money" instruction is, in practice, an instruction to litigate a position that has lost in **every court that has ever considered it** — exposing the user to sanctions, costs orders, and (in the US) pre-filing restrictions.

6.13 "Solicitors representing the trust makes it legitimate" — *the solicitor-laundering fallacy*

The claim. "We have a firm of solicitors that are going to represent the trust… a firm that is trying not to be part of the system." (Allegedly Dave.)

Why it fails. A solicitor's involvement does not change the legal character of an instrument. A solicitor who drafts a letter transmitting a worthless promissory note has not made the note valuable; the solicitor has, at most, drafted a letter. If the solicitor knows or suspects that the scheme is fraudulent, the solicitor faces **regulatory consequences** (SRA / BSB misconduct) and potential **secondary criminal liability** (assisting fraud). The "not part of the system" framing is itself a warning sign: solicitors who market themselves as outside the regulatory system are precisely the category most likely to face intervention. The involvement of solicitors in the Liberty Rock scheme (and of a solicitor-who-is-also-a-notary in the notarisation) has already generated **regulatory alerts and misconduct complaints**. Far from laundering the scheme into legitimacy, solicitor involvement increases the regulatory and criminal exposure of everyone concerned.

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7. PROSECUTIONS AND COURT REJECTIONS

The empirical record is uniform. **No court, in any common-law jurisdiction, has ever accepted a homemade bill of exchange or promissory note as a discharge of debt or tax.** The cases fall into three categories: civil rejection, regulatory action, and criminal prosecution.

7.1 United Kingdom — civil rejection and winding-up

- ***DG Resources Ltd v HMRC* [2025] EWHC 2208 (Ch).** Liberty Rock wrote to HMRC claiming that "payments were made in the form of cheques sent to HM Revenue and Customs, clearing within three days of receipt." The court held this was **false** and that **HMRC had not in fact been paid**.
- **Halifax Rugby League Football Club Ltd.** Attempted use of the bills-of-exchange method. The court held that **HMRC is entitled to decide which forms of payment it accepts**, and that the documents sent were **not valid bills of exchange**. The club subsequently **went into liquidation**.
- **Direct Back Office Ltd.** The company whose £3m tax "settlement" was effected by the Liberty Rock notarised affidavit. **Wound up in March 2026.** The winding-up order did not even engage the affidavit argument.
- **WeRe Bank / Peter of England.** Subject to **FCA warnings**; the "bank" is not an authorised deposit-taker, holds no clearing membership, and its instruments cannot be banked. The original 2015 promissory notes reached their 10-year maturity in 2025 with no demonstrated capacity to settle any liability.
- **Oric Liquescent Trust / Allegedly Dave.** As of the date of the promoter's own materials, the scheme has **never discharged a single mortgage**. The promoter does not hold a mortgage himself. The scheme is, by his own admission, theoretical and untested. The "contingency plan" of a High Court test case would, on the uniform case law, fail.

7.2 United Kingdom — criminal exposure

The conduct engaged by these schemes engages serious criminal liability:

- **Cheating the public revenue** (common-law offence; maximum **life imprisonment**). The offence is committed by any dishonest conduct intended to prejudice, or risk prejudicing, HMRC's revenue.

- **Fraud by false representation**, Fraud Act 2006 s.2 (maximum 10 years). Representing that a worthless bill of exchange / promissory note has "settled" or will settle a tax or mortgage liability, knowing the representation to be untrue or misleading and intending to make a gain or cause a loss, is the paradigm offence.
- **Using a false instrument / possession of false instruments**, Forgery and Counterfeiting Act 1981 ss.3, 5.
- **Conspiracy to defraud**, Common law / Criminal Law Act 1977 s.12.
- **Operating as a deposit-taker without authorisation**, FSMA 2000 s.19 (engaged where a "trust" or "bank" takes deposits/money on the strength of promises to pay via instruments that function as deposit substitutes).

The **dishonesty test** is the two-limb *Ivey v Genting* / *Barton* test: (a) the defendant's actual knowledge/belief, and (b) whether the conduct was dishonest by the standards of ordinary decent people. Genuine belief that the scheme "works" is **not** a defence to the second limb. taxpolicy.org.uk's consulted criminal barristers regarded the Liberty Rock scheme as "eminently prosecutable." HMRC has issued **two published warnings** (one quoted: *"We are taking action against promoters of these schemes… We also urge anyone already using this payment arrangement to contact us as soon as possible."*).

7.3 United States — civil dismissal and sanctions (Brandon Joe Williams litigation record)

Case	Forum	Instrument tendered	Outcome
Williams v. American Express (C.D. Cal. 2024) 2:24-cv-01631	USDC C.D. Cal.	1099-A + "signature-created currency"	**Dismissed with prejudice; leave to amend denied.** "Vapor money" theory frivolous; no private right of action.
Knapp v. Wings Credit Union (D. Minn. 2024) 0:24-cv-00434	USDC D. Minn.	Self-created promissory note + "special indorsements" under UCC § 3-603	**Dismissed with prejudice; sanctions; permanent filing restrictions; affirmed 8th Cir. 2025.** Theory "nonsensical."
Knapp v. Compass Minnesota (D. Minn. 2024) 24-cv-00100	USDC D. Minn.	Buyer-representation agreements treated as "negotiable instruments"	**Dismissed with prejudice; Rule 11 sanctions; attorneys' fees; affirmed 8th Cir.**

Hauschildt v. AgTexas Farm Credit (W.D. Tex. 2024) 6:24-cv-00086	USDC W.D. Tex.	UCC "discharge" documents; peonage theory	**Dismissed without prejudice (May 2026).**
Williams v. City of Glendale (C.D. Cal. 2024) 2:24-cv-07039	USDC C.D. Cal.	"Unconditional draft" for utility bill	**Dismissed for lack of federal jurisdiction.**
Williams v. SBA (C.D. Cal. 2024) 2:24-cv-09553	USDC C.D. Cal. / 9th Cir. / SCOTUS No. 25-1221	UCC discharge of $2m EIDL loan	**Dismissed under sovereign immunity; affirmed 9th Cir.; cert petition pending.**
Williams v. Dayton Water (Ohio Ct. App.)	Ohio	"International bills of exchange" for water bills	Held: "self-created international bills of exchange were not valid legal documents or tender."

7.4 United States — criminal prosecutions of promoters

- **18 U.S.C. § 514 (Fictitious obligations).** Expressly criminalises the uttering of fictitious obligations (the homemade "sight drafts," "bills of exchange," and "promissory notes" drawn on the Treasury). This is the principal federal charging vehicle.
- **18 U.S.C. § 1341 / § 1343 (mail / wire fraud)** and **§ 1344 (bank fraud).** Used where the instruments are mailed or wired to creditors.
- **Roger Elvick** — originator of the Redemption/A4V method; **convicted** of federal offences and imprisoned.
- **Winston Shrout** — promoted "bonded promissory notes" and sight drafts; **convicted** in the District of Oregon (2017) on charges including uttering fictitious obligations and securities fraud; **sentenced to federal prison**.
- Numerous followers have been **convicted** under § 514 for tendering self-made instruments to the IRS and to mortgagees.

7.5 Canada and Australia

- ***Meads v Meads*, 2012 ABCA 468** (Alberta Court of Appeal, Rooke ACJ). The landmark judgment. Justice Rooke conducted an exhaustive taxonomy of "Organized Pseudo-Commercial Argument" (OPCA), including the bills-of-exchange, A4V, and "magic phrasing" schemes, holding them to be **legally worthless**, dishonest, and frequently fraudulent. The judgment has been adopted across the Commonwealth.
- Australian regulators (ASIC) and courts have similarly rejected "promissory note" mortgage-discharge schemes, with promoters subject to banning orders and civil/criminal action.

7.6 The notary dimension

The Liberty Rock scheme depends on the notary's seal for its only veneer of credibility. The **Faculty Office of the Archbishop of Canterbury** (the regulator of notaries in England & Wales) published an **alert** in 2026 warning notaries about the bills-of-exchange schemes and reminding them to "carefully consider whether the proposed act is proper." A misconduct complaint has been lodged against the notary who notarised the Direct Back Office Ltd affidavit. The regulatory tightening of the notarial function is itself a recognition that the schemes are fraudulent. The same logic applies to Allegedly Dave's proposal to "notarise" the Oric Liquescent Trust promissory notes: notarisation does not create value or compel acceptance; it merely attests signature, and a notary who routinely notarises such instruments faces regulatory risk.

8. THE REAL-WORLD CONSEQUENCES FOR USERS

The promoters present these methods as a "way out." The empirical reality is the opposite:

1. **The underlying debt is not discharged.** It continues to accrue, with interest, penalties, and costs. The tax liability, mortgage arrears, or utility debt is **larger** after the scheme than before.
2. **Enforcement accelerates.** HMRC raises enforcement; mortgagees foreclose; utilities disconnect; bailiffs attend. Halifax RLFC was wound up. Direct Back Office was wound up.
3. **Credit destruction.** Defaults are recorded; the user's access to mainstream finance is impaired for years.
4. **Bankruptcy / corporate failure.** Companies using the method are wound up; directors face **disqualification proceedings** (Scott-Havard Williams of Liberty Rock is currently the subject of director-disqualification proceedings).

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5. **Civil sanctions.** In the US, **Rule 11 sanctions, attorneys' fees, and permanent pre-filing orders** (as imposed on the Knapps). Litigants who deploy these theories in court are routinely branded "paper terrorists."
6. **Criminal prosecution.** Promoters, signatories, and notaries all face potential prosecution for cheating the public revenue, fraud, forgery, and (in the US) fictitious-obligations offences. The **life-imprisonment** maximum for cheating the revenue is not theoretical.
7. **Fees paid to promoters are lost.** Liberty Rock's 25%-of-tax-bill fee (30% up-front); WeRe Bank's pack fee; Allegedly Dave's £500 "donation" per beneficiary — all are paid for methods that do not work. Recovery is unlikely against entities that may themselves be wound up or that operate from offshore (Allegedly Dave was, per his own account, in St Lucia during the relevant period).

9. DIAGNOSTIC SUMMARY TABLE — EACH PROMOTER CLAIM vs THE LAW

#	Promoter claim	Promoter(s)	Governing law	Why it fails
1	"A bill of exchange is magic / must be accepted"	All	BoEA 1882; not legal tender	A bill is a credit instrument, not money; no one is bound to accept it
2	"I can be both drawer and drawee"	Peter of England	BoEA s.3	Collapses into a mere promise; no external source of value
3	"Drawn on my birth trust"	Liberty Rock; Williams	No such account exists	Fictitious drawee; nullity; 18 U.S.C. § 514
4	"Backed by my promissory note / by gold"	Peter of England; Allegedly Dave	BoEA s.83	Circular paper / no clearing path; gold does not give settlement access
5	"My signature creates the value"	WeRe Bank; Allegedly Dave; Williams	BoEA ss.3, 83; UCC § 3-401	Signature = enforceability, not value; value comes from a funded drawee/maker + clearing path
6	"Refusal = dishonour = discharge"	Peter of England; Williams	BoEA ss.17, 53–62	Only drawee accepts; refusal lets holder sue *the drawer*; underlying debt survives
7	"Receipt / silence = acceptance"	Liberty Rock	*Felthouse v Bindley*; BoEA s.17	Acceptance must be communicated; postal record proves only collection

8	"Notarised affidavit/note = proof of settlement/value"	Liberty Rock; Allegedly Dave	Notaries' limited function	Seal attests signature/identity, not truth of contents or value
9	"UCC 3-603 refusal discharges the debt"	Williams	UCC § 3-603	Applies only to valid tender of legal tender/funded instruments; discharges indorsers, not primary debt
10	"Law merchant overrides statute"	Peter of England	BoEA s.95	Law merchant preserved only insofar as not inconsistent with the Act
11	"Fiat is debt, so my note is money"	All	Currency and Bank Notes Act 1928; Coinage Act 1971; UCC § 1-201(b)(24)	State designates legal tender and provides clearing; private notes have neither
12	"We can create credit ex nihilo too (the 'fractional reserve' claim)"	Allegedly Dave	FSMA 2000 s.19; PRA rules; BoEA; Werner 2014	Ex nihilo credit creation is a licensed privilege requiring a central-bank reserve account, clearing membership, and social acceptance of the bank's IOU as money; a private trust has none of these; its notes cannot clear
13	"£5 note wrapped around the corner makes it valuable"	Allegedly Dave	—	The £5 is worth £5; it does not transfer value to the attached note
14	"Solicitors/notary make it legitimate"	Allegedly Dave; Liberty Rock	SRA/BSB/Faculty Office rules	Involvement does not change legal character; facilitates regulatory/criminal exposure for professionals
15	"Failure = your guilty mind, not the method"	Allegedly Dave; Peter of England	*Meads v Meads* ("I was done wrong")	Scapegoat mechanism; methods fail because they are legally worthless

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10. CONCLUSION

A bill of exchange is one of the oldest and most useful instruments of commerce — when it is **drawn by a drawer on a drawee with whom the drawer holds funds**, payable to a payee, capable of being **accepted, negotiated, cleared, and settled in central-bank money**. A promissory note is similarly useful when the **maker has the creditworthiness and assets** to honour it at maturity **and when there is a settlement path**. The genius — and the fraud — of the promoter schemes is that they **copy the form** of these instruments (the statutory language, the three-party structure, the indorsements, the "without recourse" qualifications, the notarial seal, the pooled "asset," even a £5 note taped to the corner) while **stripping out the substance** (the funded drawee, the settlement path, the clearing membership, the banking licence, the external source of value).

The result is an instrument that is, in the words of the US Treasury, "bogus and incomprehensible"; in the words of the Eighth Circuit, "nonsensical"; in the words of the English High Court, a false claim of payment; and in the words of the *Meads* taxonomy, a recognized species of pseudo-law. **Every** civil litigant who has deployed these instruments has lost. **Every** company that has deployed them against HMRC has been wound up or has failed. The **originating promoters** have been imprisoned, disqualified, or made fugitive. The **notaries and solicitors** who lent the schemes credibility are now the subject of regulatory alert and misconduct complaint.

The technical lesson is simple and it is final: **a signature creates an obligation; it does not create money. A bill of exchange orders a funded drawee to pay; it does not compel an unwilling creditor to accept worthless paper. A promissory note is a promise worth the present value of the maker's ability to perform through a recognised settlement path; it is not a magic cheque. "Creating credit ex nihilo" without a banking licence, a central-bank reserve account, clearing membership, and social acceptance of the issuer's IOU as money — as Professor Werner's 2014 research confirms is the unique province of licensed banks — is not possible for a private trust; it is a category error. Receipt is not acceptance; silence is not consent; a notary's seal attests the signature, not the facts. A £5 note wrapped around a worthless note is worth £5. There is no birth trust, no secret Treasury account, no Cestui Que Vie credit, no "magic phrasing," no pooled gold, and no "0.1% reserve ratio" that changes any of this.** The schemes do not discharge debt or tax. They compound both, and they expose their users and promoters — and the professionals who facilitate them — to civil ruin and criminal prosecution.

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